



# राजपत्र, हिमालच प्रदेश

## (असाधारण)

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

शिमला, बृहस्पतिवार, 7 सितम्बर, 1972/16 भाद्रपद, 1894

### GOVERNMENT OF HIMACHAL PRADESH

#### MULTIPURPOSE PROJECTS AND POWER DEPARTMENT NOTIFICATION

*Simla-2, the 4th September, 1972*

No. 12-5/72-MPP(Sectt.).—In exercise of the powers conferred by section 78 of the Electricity (Supply) Act, 1948 (Act No. 54 of 1948), the Governor, Himachal Pradesh, proposes to make the following draft rules entitled as "The Himachal Pradesh State Electricity Board (Finances of the Board—Borrowings) Rules, 1972", and the same are hereby published in the Himachal Pradesh Rajpatra (Official Gazette) for the information of the persons likely to be affected thereby and a notice is hereby given that these rules will be taken into consideration after 10 days from the date of publication in the Rajpatra.

If any person affected thereby, desires to take any objection, or has any suggestion to make, regarding these draft rules, he can send the same to the Secretary (MPP and Power) to the Government of Himachal Pradesh, Simla-2 before the expiry of the above period. The objections or suggestions, if any, so received, will be taken into consideration before making such rules.

## DRAFT RULES

## HIMACHAL PRADESH STATE ELECTRICITY BOARD (FINANCES OF THE BOARD BORROWINGS) RULES, 1972

## A—PRELIMINARY

1. *Short title and extent.*—These rules may be called the Himachal Pradesh State Electricity Board (Finances of the Board—Borrowings) Rules, 1972.

2. *Definition.*—In these rules, unless the context otherwise requires,—

- (a) “Act” means the Electricity (Supply) Act, 1948 (LIV of 1948);
- (b) “Board” means the Himachal Pradesh State Electricity Board constituted under section 5 of the Act;
- (c) “bond” includes a mortgage bond and mortgage debenture executed or issued by the Board under the Act whether or not the money borrowed is charged on the works and the revenues of the Board on any specific property forming part of the works of the Board;
- (d) “Government” means the Government of the State of Himachal Pradesh;
- (e) “security” means any stock or bond issued or any mortgage granted by the Board; and
- (f) other expressions used in these rules but not specifically defined above have the same meanings respectively assigned to them under the Indian Electricity Act, 1910 (IX of 1910) and the Electricity (Supply) Act, 1948 (LIV of 1948).

## B—CONDITIONS SUBJECT TO WHICH THE BOARD MAY BORROW

3. *Particulars of borrowing to be furnished to Government.*—Whenever the Board makes an application for the sanction of the Government to borrow as required by section 65 of the Act, it shall furnish to the Government such particulars of the amount, purpose, nature, mode and circumstances of the proposed borrowings as the Government may require.

4. *Mode of raising money.*—(1) In addition to any subvention and loans received from the Government, the Board may, with the previous sanction of the Government, raise or borrow any sum or sums of money from other sources by issuing debentures, bonds, stock and/or by borrowing from bankers for the purpose of the Act and may secure payment or repayment thereof in such manner and upon such terms and conditions as may be specified by the State Government in this behalf.

(2) The Board may receive deposits and issue certificates for fixed terms bearing interest at such rates as the Government may by general or special order approve.

5. *Temporary borrowing by Board.*—The Board may, for the purpose of meeting any current expenditure properly chargeable to revenue or capital expenditure of an emergent nature borrow within the limit fixed in that behalf by the Government or raise any sum or sums of money by way of temporary loan, cash credit or overdraft from any bank or otherwise, as it may require, on such terms, conditions and security, and in such form, as may be approved by the Board. The amount so borrowed together with the interest thereon, shall be repaid from current revenues within a period of three months from the date of temporary borrowing or such extended period not exceeding six months from the date of borrowing as the Board may allow.

6. *Powers to reborrow.*—Subject to the provisions of the Local Authorities Loans Act, 1914 (19 of 1914) the Board shall have the powers to re-borrow:—

- (a) for the purpose of paying off any money previously borrowed by it which is intended to be forthwith paid; or
- (b) in order to replace money temporarily appropriated from other funds of the Board in repaying money previously borrowed in accordance with these rules.

7. *Application of money borrowed.*—Except with the previous sanction of the Government money raised by the issue or grant of any security shall not be applied to purposes other than those for which the money was raised.

8. *Temporary Investments.*—The Board may, from time to time invest and/or deal with any moneys of the Board not immediately required for the purposes for which it was raised in such investments and/or fixed term or call deposits as the Government may by general or special order approve, and from time to time, may vary or realise such investments and/or deposits.

#### C—THE MANNER IN WHICH STOCK ISSUED BY THE BOARD SHALL BE ISSUED, TRANSFERRED DEALT WITH AND REDEEMED

9. *Issue of stock.*—(1) All stock issued by the Board shall be redeemable stock and shall be created by, and issued in pursuance of a resolution or resolutions passed by the Board.

(2) The Board may issue such class or classes of stock as it may determine, but each class of stock shall have a distinctive title and shall be issued on the terms and subject to the conditions that all stock at any time belonging to that class shall bear one and the same rate of interest, shall become redeemable at the same time and shall in all other respects be of the same character.

(3) Subject to the provisions of Act and those rules, stock may be issued for such amount, at such price and at such rate of interest as the Board may, with the previous approval of the Government, determine.

10. *Redeemability of stock.*—Stock issued by the Board shall be redeemed on the expiration of such period as the Board, may, with the approval of the Government by a resolution determine:

Provided that it may be redeemed before the expiration of the said period, if the Board, by a subsequent resolution so determine:

Provided further that no stock shall be liable to be redeemed before the expiration of the latest date of repayment mentioned in the original resolution creating the stock unless at least three months notice of the intention to redeem the same has been given.

11. *Issue of stock at premium.*—Where the stock is issued at a price higher than that at which it is to be redeemed, the difference between the price of issue and the price of redemption shall, for the purpose of these rules be credited to premium on stock account which may be utilized by the Board in any of the following manners:—

- (i) by transfer to the reserve fund of the Board;
- (ii) to wipe off the intangible assets;
- (iii) to wipe off discount on the issue of stock;
- (iv) in such other manners as may be approved by the Board.

**12. Issue of stock at discount.**—(1) Where stock is issued at a price lower than that at which it is to be redeemed, the difference between the price of issue and the price of redemption shall for the purpose of these rules be treated as loan authorised by the statutory borrowing power of the Board under section 65 of the Act, repayable within the period expiring on the earliest date on which the said stock may be redeemed.

(2) For the purpose specified in sub-rule (1) the Board shall create a discount sinking fund out of the revenues of the Board, for the period of currency of such stock issues.

**13. Power to grant mortgages.**—Subject to the provisions of these rules and for the purposes of raising any money which it is authorised to borrow under the Act, the Board, may mortgage or charge the works and all the revenues of the Board or any specific property forming part of these works.

**14. Power to issue and renew bonds.**—Subject to the provisions of these rules and for the purpose of raising any money which it is authorised to borrow under the Act, the Board may issue and renew bonds.

**15. Security for Bonds.**—(1) The principal money and interest for which bonds are issued by the Board shall be secured on the covenant of the Board to pay and the principal money and interest secured by any bonds or class of bonds may be in addition be charged upon or secured by a trust-deed charging the works and all the revenues of the Board or any specific property forming part of those works.

(2) Bonds issued by the Board shall be called “Himachal Pradesh State Electricity Board Bonds” or “Himachal Pradesh State Electricity Mortgage Bonds” or “Himachal Pradesh State Electricity Board Mortgage Debentures” as the case may require.

(3) Bonds shall be for amounts of one hundred, five hundred or one thousand rupees or multiples of one thousand rupees.

(4) The principal money secured by a bond shall be repayable at such date within the period as may be specified in the bond.

(5) Nothing in this rule shall be construed as prohibiting the Board from redeeming a bond at any time by agreement with the holder of the bond if it thinks fit to do so.

**16. Extinction of securities redeemed or purchased.**—If any securities given under the foregoing rule is redeemed or purchased by the Board it shall be extinguished.

**17. Unclaimed securities.**—If at the end of a period of twenty years after the date (hereinafter referred to as “the date of redemption”) on which any class of security is to be redeemed the Board, by reason of the holder of any security of that class not forthcoming or by reason of any doubt as to the ownership of any such security, is not able to redeem the security, the said security shall thereupon be deemed to have been extinguished and the sum credited to revenue.

**18. Board's lien on bonds, stocks and/or debentures.**—(1) The Board shall have a first and paramount lien upon all the bonds, stock and/or debentures registered in the name of each holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys in respect of such bonds, stock and/or debentures and no equitable interest shall be created except upon the footing and condition that this rule shall have full effect and such lien shall extend to all interest from time to time payable in respect of such bonds or stocks or debentures, unless otherwise agreed, the registration

of a transfer of bonds, stocks or debentures shall operate as a waiver of the Board's lien if any, on such bonds, stocks or debentures.

(2) For the purpose of enforcing such lien, the Board may sell the bonds, stocks and/or debentures subject thereto in such manner as the Board thinks fit, but no sale shall be made unless a sum in respect of which the lien exists is payable and until notice in writing of the intention to sell shall have been served on such holder, his executors or administrators or other legal representatives, as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for fifteen days after the date of such notice.

(3) The net proceeds of the sale shall be received by the Board and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall be paid to such holder, his executors or administrators or other legal representatives, as the case may be.

**19. Appointment and change of Registrars.**—(1) The Board shall, before making each issue of stock or bonds and before granting any mortgage appoint and thereafter continue to appoint on such terms and subject to such conditions and instructions not inconsistent with these rules as it thinks expedient, an officer of the Board or any banking or other company as Registrar of the Stock or Bonds to be issued or as Registrar of Mortgages for all or any of the purposes of these rules. The general practice of the State Bank of India shall apply to all securities issued under these rules in respect of which the State Bank of India is appointed as the Registrar.

(2) Subject to the conditions on which any security is issued the Board may, at any time, determine the appointment of the Registrar for the time being of that security and appoint another Registrar in his place.

**20. Registers of securities.**—Each Registrar shall maintain a register relating to each class of security for which he is appointed Registrar (hereinafter referred to as "the Registrar") in which shall be entered:—

(a) in the case of stock—

the name, address and description of each holder from time to time of stock of the class to which the register relates and the amount held by him;

(b) in the case of mortgages—

(i) the names, addresses and descriptions of the parties to each mortgage, the number and date thereof, the amount for which the same is granted and particulars of the property mortgaged; and

(ii) the date of registration of each mortgage and the date on which the same is paid off;

(c) in case of bonds—

the name, address and description of each holder from time to time of the bonds of the class to which the register relates a statement of the amount of the bonds held by him, the periods for which they are issued and, the property (if any) on which they are charged and, if the bonds are secured by a trust deed, the numbers and dates of the certificates issued to him as hereinafter provided or, if the bonds are not so secured the number of each bonds held by him and the date of registration of each bond and the date on which the same is paid off.

**21. Certificate of registered stock and bonds secured by trust deed.**—On the registration of stock or of bonds secured by a trust deed the appropriate Registrar shall issue to the holder of stock or bonds a certificate of the proprietorship of such stock or bonds as the case may be and such certificate shall be prima-facie evidence of the title of the person named therein.

**22. Right to transfer securities.**—Subject to these rules and to the terms on which the security is issued the holder of any security may transfer the same in whole or in part except that no mortgage shall be transferred in part.

**23. Transfer of stock and bonds secured by trust deed.**—(1) Stock and bonds secured by a trust deed shall be transferred by an instrument in writing and shall be executed both by the transferor and the transferee and duly witnessed and the transfer shall be properly stamped.

(2) The instrument of transfer and the certificate to which the same relates shall be deposited with, and retained by the appropriate Registrar. Such Registrar shall cause an entry thereof to be made in a book to be called "the register of transfer" and shall endorse on the deed of the transfer a note of that entry, and shall issue a new certificate or certificates to the transferee or the transferor, as the case may require. A separate register of transfers distinguished by a number or otherwise shall be kept for each class of stock and of bonds secured by a trust deed.

(3) Not more than one class of stock or bonds shall be included in any transfer, and the deed shall relate only to the transfer and shall not contain any recital, power or proviso whatsoever.

(4) The transferor of stock or of bonds secured by a trust deed shall be deemed to remain the holder thereof until the name of the transferee is entered in the register relating thereto.

**24. Transfer of mortgage not secured by trust deed.**—(1) Mortgages not secured by a trust deed shall be transferred by an instrument in writing. Each such deed shall be duly stamped and shall state its date and the consideration for the transfer and may be endorsed on the mortgage to which it relates.

(2) The appropriate Registrar shall keep a register of transfers of mortgage not secured by a trust deed, and as soon as may be after the date of every transfer, the deed of transfer shall be produced before the appropriate Registrar who shall cause entries to be made in the appropriate register of transfer of the date of such deed the names, addresses and descriptions of the parties thereto and the number of the mortgage transferred thereby, and until such entries have been made neither the Board nor the Registrar shall be in any manner responsible, to the transferee.

(3) On the registration of any transfer of a mortgage not secured by a trust deed, the transferee or his executors or administrators, shall be entitled to the full benefit of the original mortgage and the principal and interest secured thereby.

(4) No person except the last transferee registered as aforesaid or his executors or administrators shall be entitled to transfer, release or discharge any such mortgage or any money secured thereby.

**25. Transfer of bonds not secured by trust deed.**—(1) The bonds shall be in the form of debenture and shall be transferable by endorsement and delivery.

(2) On the receipt of request from the bond holder for verification of endorsement, details for verification of endorsement shall be entered in the

register for verification of endorsement by the Registrar of issue. The Registrar shall not charge any fee for verification of endorsement.

**26. Transfer on death.**—(1) The interest of deceased holder of any security, shall be transferable by his executors or administrators.

(2) Where two or more persons are registered as holder of any security those persons shall be deemed to be joint holders of such security with right of survivorship between them.

(3) The Board or the appropriate Registrar may refuse to allow any executors or administrators to transfer any security until the *probate of the will* or the letters of administration to the estate of the deceased or a succession certificate under the Indian Succession Act, 1925 (XXXIX of 1925), has or have been left with the Registrar for registration and may require all the executors or the administrators to join in the transfer.

**27. Transfer otherwise than by death of holder or transfer in books or by deed.**—(1) If the interest in any security has been transferred by any lawful means other than a transfer in books or a deed in accordance with these rules on the death of a holder of the security, satisfactory evidence of the transfer shall be furnished to the appropriate Registrar by an affidavit of one or more competent persons or in such other manner as such Registrar, with the approval of the Board, may require.

(2) The name of the person entitled under the transfer shall be entered in the appropriate register.

(3) Until evidence has been furnished in accordance with sub-rule (1) the Board or such Registrar shall not recognise the transfer and no person claiming under the transfer shall be entitled to receive any interest on the security.

(4) For the purpose of this rule, the expression 'transfer' includes any case of apparent transfer in the name of the holder of a security although the actual ownership of the security may remain unaltered.

**28. Registrar may take fees, etc.**—A Registrar may refuse to permit any entry to be made in the stock transfer books kept by him to register any transfer of a security unless:—

(i) The fee hereinafter mentioned is paid in respect thereof, and the instrument of transfer is accompanied either by the certificate of the deed creating the mortgage or (in the case of a bond not secured by a trust deed) the bond to which it relates, as the case may be; and

(ii) such other evidence, if any, as he may reasonably require to show the rights of the transfer or to make the transfer is produced.

**29. Registration fees.**—(1) Except as otherwise provided by the conditions on which any security is issued, the appropriate Registrar shall be entitled to charge a fee not exceeding rupees three as the Board may from time to time prescribe in respect of the registration of each one of the following:—

- (a) any transfer;
- (b) probate of will or letters of administration;
- (c) change of name;
- (d) power of attorney;
- (e) order of court; and
- (f) any other document affecting the registration of a security.



(2) If any such registration affects more than one class of security, a separate fee may be charged in respect of each class.

**30. Registers to prima facie evidence.**—Each register shall be prima facie evidence of any matters entered therein in accordance with these rules and of the title of any person entered therein as the holder of a security.

**31. Inspection of register of mortgage.**—The register of mortgages shall be open to inspection at all reasonable times by any mortgagee or other person entitled to a mortgage free of charge and by any other person on payment of a fee not exceeding rupees five as the Board from time to time determine.

**32. Defaced or lost certificate.**—(1) If any certificate of any security is torn or defaced, the appropriate Registrar shall, on surrender of the certificate and payment of a fee of rupees three, issue a new certificate to the person entitled to the surrendered certificate.

(2) If it is shown to the satisfaction of the appropriate Registrar that any such certificate has been lost or destroyed, he shall after due notification in the Official Gazette and on receiving indemnity to his satisfaction against all claims in respect of the lost or destroyed certificate and on payment of the charges of notification and a fee of rupees three issue a new certificate of the person entitled to the lost or destroyed certificate.

(3) A memorandum of the issue of a new certificate shall be made thereon and in the appropriate register.

**33. Closing of transfer books etc.**—The appropriate Registrar with the approval of the Board and after giving due notice by public advertisement, may close the register of transfers of any class of security for a period not exceeding thirty days immediately preceding the date for the payment of interest on the security.

(2) The persons who on the day of closing in accordance with sub-rule (1) are registered as holder of any security shall be entitled to the interest next payable thereon.

**34. Notice of trust not to be recognised.**—No notice of any trust express, implied or constructive in respect of any security shall be entered in any register or in any other book kept by the Board or any registrar or on any certificate or in any mortgage or in any transfer of any security, or be receivable by the Board or any Registrar or affect any Registrar or the Board through any register or otherwise, and the receipt of any person in whose name any security stands in the register relating thereto shall be a sufficient discharge to the Board for any money paid in respect of such security.

**35. Arrangements with bankers.**—The Board may subject to the provisions of these rules, make any arrangement with, and provide for the proper remuneration of any banker with respect of the issue of securities, the registration and transfer of securities, the payment of interest on securities, the keeping of books and other matters incidental to the issue, management redemption and repayment of securities.

**36. Saving for Government.**—No security shall be issued or granted as a security in respect of which the payment of the principal and interest or the principal or interest is guaranteed by the Government until the amount, price, rate of interest, date and method of issue of such security, the arrangements for the application of the proceeds of the issue and for the repayment of the proceeds have been previously approved by the Government and no



variation of any such arrangements shall be made without the like approval of the Government.

37. *Saving for power of revocation.*—The Board may, by resolution revoke at any time, in whole or in part, any resolution for the creation of any security passed by the Board, if any, so far as the same has not been acted on by the issue or grant of securities thereunder, and shall forthwith give notice of any such revocation to the Government.

K. N. CHANNA,  
*Chief Secretary.*

